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W10a

Prepared July 22, 2004 (for August 11, 2004 hearing)

To: Commissioners and Interested Persons
From: Diane Landry, District Manager
Jonathan Bishop, Coastal Program Analyst

Subject: County of San Luis Obispo LCP Major Amendment Number 1-04 Part 2 (Agricultural Preserve Map Amendment) Proposed major amendment to the County of San Luis Obispo certified Local Coastal Program to be presented for public hearing and Commission action at the California Coastal Commission's August 11, 2004 meeting to take place at the Sheraton Los Angeles Harbor, 601 South Palos Verdes Street, San Pedro.

Summary

The County of San Luis Obispo is proposing to change the land use categories for properties recently put into agricultural preserves. The purpose of the County's LCP amendment request is to bring properties with land use categories other than Agriculture into conformance with Williamson Act contracts by changing the categories to Agriculture (AG). The way in which the County implements this action is to amend the Official Maps of its certified Local Coastal Program (LCP) to reflect the newly proposed land use designation. The relevant map changes are reflected in the following two locations of the LCP:

1) North Coast Area Plan Maps— Proposal to convert the 32-acre Wells Fargo Bank Trust property from the Residential Suburban (RS) land use category to Agriculture (AG). A second element of this map amendment is to remove both the Wells Fargo Bank Trust parcel and the embedded Camp Ocean Pines property from the Cambria urban reserve line (URL) (See Exhibits C 1&2).

2) San Luis Bay Area Plan Map – Proposal to convert 43 acres on two separate parcels of the Thousand Hills Ranch property from the Rural Lands (RL) land use category to Agriculture (AG) (See Exhibit C 3).

Staff has evaluated the proposed Official Map amendments of the Land Use Plan (LUP) for conformance with the Coastal Act. These map amendments are analyzed as land use category changes to properties covered under the San Luis Obispo County certified LCP. As discussed in detail below, staff recommends approval of the proposed Major Amendment No. 1-04 Part 2, only if it is modified to place the 32-acre Wells Fargo Bank Trust property into the Open Space (OS) land use category rather than Agriculture (AG).



California Coastal Commission

August 11, 2004 Meeting in San Pedro

Staff: J.Bishop Approved by:

The Wells Fargo Bank Trust property contains a large stand of healthy Monterey pine forest mapped in the LCP as terrestrial habitat. Under the LCP, Monterey pine forest terrestrial habitat is considered an environmentally sensitive habitat area (ESHA). The Wells Fargo Bank Trust property is currently undeveloped and does not support intensive agricultural operations. In addition to the sensitive natural resources contained on the property, the 32-acre Wells Fargo Trust property completely surrounds the Camp Ocean Pines recreation area. Applying the Open Space (OS) land use designation on the Wells Fargo Trust property instead of Agriculture (AG) will make the amendment request consistent with Coastal Act Section 30240 because the Open Space land use designation is the most compatible with the continuance of the Monterey pine forest habitat and recreation areas that characterize this area. This modification would still meet the County's requirements under the Williamson Act as land under Williamson Act contracts may be designated as Agriculture or Open Space. Thus, the recommended modification is necessary to find the requested Land Use Plan map amendments consistent with Chapter 3 of the Coastal Act. Staff is not recommending any modifications to the County's proposed amendment affecting the new location of the URL in this area. Staff is recommending approval as submitted for the map amendment of the Thousand Hills Ranch site in the San Luis Bay Area Plan.

Further information on the submittal may be obtained from Jonathan Bishop, Coastal Program Analyst, at the Central Coast District Office of the Coastal Commission at 725 Front Street, Suite 300, Santa Cruz, CA 95060, (831) 427-4863.

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I. Staff Recommendation – Motions and Resolutions

Staff recommends that the Commission, after public hearing, approve the proposed amendment only if modified. The Commission needs to make 2 motions in order to act on this recommendation.¹

1. Denial of Land Use Plan Major Amendment Number 1-04 Part 2 as Submitted

Motion (1 of 2). I move that the Commission **certify** Land Use Plan Amendment (SLO-MAJ-1-04, Part 2) as submitted by the County of San Luis Obispo.

Staff recommends a **NO** vote. Failure of this motion will result in denial of the amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

Resolution to Deny. The Commission hereby **denies** certification of the Land Use Plan Amendment (SLO-MAJ-1-04, Part 2) as submitted by the County of San Luis Obispo and adopts the findings set forth in this staff report on the grounds that the amendment does not conform with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment would not comply with the California Environmental Quality Act because there are feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

2. Approval of Land Use Plan Major Amendment Number 1-04 Part II, if Modified

Motion (2 of 2). I move that the Commission **certify** Land Use Plan Amendment (SLO-MAJ-1-04, Part 2) for the County of San Luis Obispo if it is modified as suggested in this staff report.

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the amendment with suggested modifications and the adoption of the following resolution and findings in this staff report. The motion to certify with suggested modifications passes only by an affirmative vote of a majority of the Commissioners present.

Resolution to Certify with Suggested Modifications. The Commission hereby **certifies** the Land Use Plan Amendment (SLO-MAJ-1-04, Part 2) for the County of San Luis Obispo if modified as suggested and adopts the findings set forth in this staff report on the grounds that the Land Use Plan amendment with suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment if modified as suggested complies with the California Environmental Quality Act because either: (1) feasible mitigation measures and/or alternatives have been incorporated to

¹ Note that the motions and resolutions refer to “Part 2 of Major Amendment Number 1-04.” The reason for this is that this amendment request is part 2 of a two-part LCP amendment submitted by the County of San Luis Obispo. Part 1 (Hazard Zoning Ordinance) will be heard at a future Commission meeting.



substantially lessen any significant adverse effects of the plan on the environment; or (2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts which the Land Use Plan Amendment may have on the environment.

II. Suggested Modifications

The Commission hereby suggests the following modifications to the proposed LCP amendment, which are necessary to make the requisite consistency findings. If the County of San Luis Obispo accepts the suggested modification within six months of Commission action (i.e., by February 11, 2005), by formal resolution of the Board of Supervisors, the corresponding amendment will become effective upon Commission concurrence with the Executive Director's finding that this acceptance has been properly accomplished.

1. Modify Proposed Changes to LUP Official Maps TSP 22 & L14

LUP Official Maps TSP 22 & L14 (Exhibits G990014:8 & G990014P:9) shall be modified to show a land use designation change from Residential Suburban (RS) to Open Space (OS) for the 32-acre Wells Fargo Bank Trust property.

III. Findings and Declarations

The Commission finds and declares the following:

A. Standard of Review

The relationship between the Coastal Act and a local government's Local Coastal Program (LCP) can be described as a three-tiered hierarchy with the Coastal Act setting generally broad statewide policies. The Land Use Plan (LUP) portion of the LCP incorporates and refines Coastal Act policies for the local jurisdiction, giving local guidance as to the kinds, locations, and intensities of coastal development. The Implementation Plan (IP), or zoning portion of an LCP typically sets forth zone districts and site regulations which are the final refinement specifying how coastal development is to proceed on a particular parcel. The IP must be consistent with, and adequate to carry out, the policies of the LUP. The LUP must be consistent with the Coastal Act.

The proposed amendment SLO-MAJ 1-04 Part 2 affects the Official Maps of the LUP. Thus, the standard of review for land use plan map amendments is that they must be consistent with the Chapter 3 policies of the Coastal Act.

B. Proposed LCP Land Use Plan Amendments



1. Amend North Coast Area Plan Maps TSP 22 & L14 (Exhibits G990014P:8 & G99014P:9)

The proposed amendment to the certified LCP involves a change to the Official Maps of the Land Use Plan. Specifically, the County has requested amending Maps TSP 22 and L14 to change the land use designation of the 32-acre Wells Fargo Bank Trust property from Residential Suburban (RS) to Agriculture (AG). A second element of this particular map amendment request is to remove both the Wells Fargo Bank Trust parcel and the embedded Camp Ocean Pines property from the Cambria urban reserve line (URL). See Exhibit C (1&2) for a graphic depiction of the properties involved in the amendment.

The Wells Fargo Bank Trust property contains a large stand of healthy Monterey pine forest terrestrial habitat. Under the LCP, Monterey pine forest terrestrial habitat is considered an environmentally sensitive habitat area (ESHA). The Wells Fargo Bank Trust property is currently undeveloped and does not support any agricultural operations presently. In evaluating a proposed land use change, the Commission must analyze the on-the-ground resources and planning context at the time of the proposed LCP amendment to assure that the land use designations are consistent with the Coastal Act. As noted above, the standard of review for Land Use Plan amendments is the Coastal Act. In this case, the most relevant governing section of the Coastal Act is:

30240: *(a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.*

(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

The Coastal Act definition of environmentally sensitive habitat is also relevant:

30107.5: *“Environmentally sensitive area” means any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments.”*

Environmentally Sensitive Habitat Areas

Coastal Act Section 30240(a) requires that environmentally sensitive habitat areas (ESHA) be protected against any significant disruptions and allows only resource dependant uses within those areas. The Wells Fargo Bank trust property, which is the subject to this land use change, is located in the heavily forested urban fringe of south Cambria, and within the Strawberry Canyon watershed. Strawberry Creek, the largest drainage between Santa Rosa Creek to the north and Villa Creek to the south, is a seasonal “blue line” stream that runs through the property. The native Monterey pine forest stand on the property is relatively undisturbed and is part of a much larger contiguous forest. Monterey pine forest is a rare and significant environmentally sensitive plant community. The LCP also maps this parcel as



entirely terrestrial habitat ESHA.

The Monterey pine forest here supports unique plant associations with species assemblages that reflect variation in soil, slope, elevation, moisture, and distance from the ocean. The pine forest moderates local climate conditions and provides habitat for endemic plant and wildlife species. Recent transects done on a nearby ridge suggest that the disease rate (pitch canker, western gall rust, dwarf mistletoe) is relatively low and studies also show that the trees on the property are relatively healthier than other stands in the Cambria area.² Based on the current biological information, the Commission finds that the Monterey pine forest on the Wells Fargo Bank property is ESHA as defined by the Coastal Act, because it contains special status Monterey pine (*Pinus radiata*) and the habitat itself is a special status plant community, and both the individual species and the habitat are easily degraded by human activity.³

The County's amendment submittal re-designates the 32-acre Wells Fargo Bank Trust property from Residential Suburban (RS) to Agriculture (AG). The Commission recognizes that the shift to an AG land use category from the current residential zoning is a positive step towards land conservation on the property. However, issues are still raised with respect to the County proposed land use re-designation. The County proposed AG zoning for this parcel has the potential to disrupt the habitat values of the sensitive Monterey pine forest when viewed in terms of future development potential on the property and the possibility of intensified agricultural operations. Under the LCP, The AG land use designation proposed by the County potentially would allow for a variety of developments such as commercial agricultural facilities, manufacturing and processing facilities, specialized animal facilities, temporary events, electric generating plants, outbuildings, mobile homes, residential development, and a host of other accessory and supplemental non-agricultural uses. These types of developments have the potential to have adverse impacts on the surrounding Monterey pine forest. It should be noted that some of these developments are also allowed under the Open Space land use designation, however, the scale and intensity of development is significantly more restrictive. Of course, in either case there remains a TH ESHA overlay in the LCP that currently accurately reflects the Monterey pine forest resource. This designation would further restrict any proposed development in either land use category.

Nonetheless, intensified agriculture on this property can have significant impacts to the surrounding sensitive resources if not managed appropriately. For example, the replacement of pine forest with more intensive agricultural uses such as vineyards or greenhouses will further reduce the natural ecological diversity of the land. Intensified agricultural activities can lead to significant landform alteration and have the potential to disturb groundcover and increase sedimentation and erosion, particularly on the steep slopes present on this property. As described, there is a blue line stream draining the property that could be adversely affected by agricultural runoff, erosion, and sedimentation. The use of fertilizers, fumigants, and pesticides on specialized crops such as vineyards can lead to the water quality degradation. Agriculture can also lead to increased use of water if the use of this land for agriculture intensifies through irrigation. Thus, the proposed land use plan amendment has the potential to promote incompatible development within and adjacent to sensitive habitat areas that would significantly degrade

² Personal Communication with Don Canestro, Reserve Director, Ken Norris Rancho Marino Reserve (7/14/04)

³ Monterey pine is currently on the California Native Plant Society 1B list, which includes species that are "Rare, Threatened, or Endangered in California and elsewhere".



or destroy these areas by creating an expectation for agricultural development.

Recreation Areas

Section 30240(b) requires that development adjacent to sensitive habitat and recreation areas must be sited and designed to prevent impacts and be compatible with the continuance of these areas. As described, the 32-acre Wells Fargo Bank property completely surrounds Camp Ocean Pines. Camp Ocean Pines is zoned Recreation (REC) under the LCP and currently provides public recreational opportunities in the form of small cabins, trails, and other outdoor recreational amenities to visitors from around the world. Surrounding the camp with a parcel zoned for Agriculture raises concerns with respect to the compatibility of these two different types of uses. Should intensified agriculture be pursued on the Wells Fargo Trust property under the proposed AG zoning, it is reasonable to assume that some use conflicts may arise. Typical incompatibility issues raised between recreational-agricultural land uses can include, but are not limited to: noise, dust, and odors from agricultural operations and animals; road and trail access conflicts between agriculturally related machinery and/or animals. Pesticide application and exotic plant species transfer are other possible incompatibilities. Standard agricultural practices (such as chemical spraying and fertilizing) or ongoing agricultural by-products (such as animal wastes, dust and noise from machine operations – cultivating spraying, harvesting, et al) can be a threat to continued recreational use and enjoyment of the embedded Camp Ocean Pines property.

Relocation of Urban Reserve Line (URL)

A second element of this map amendment is to remove both the Wells Fargo Bank Trust parcel and the embedded Camp Ocean Pines property from the Cambria urban reserve line (URL) (See Exhibits C 1&2). The amendment will make the URL co-terminant with the location of the existing urban services line (USL). The Wells Fargo Bank Trust property is currently undeveloped and Camp Ocean Pines is now in the process of applying to the County for a coastal development permit for upgrades to its water and septic systems. Removing these properties from the URL creates significantly less development potential than would be allowed if the property were to remain in residential zoning and within the URL. As amended, service extensions beyond the URL onto these properties would be prohibited and buildout of the surrounding area would be significantly reduced. Given the current uncertainty surrounding sustainable water supplies in Cambria coupled with the new development issues raised above, the Commission supports this portion of the LCP amendment. Thus, the Commission finds that re-locating the URL in this manner is consistent with the Coastal Act.

County Implementation of the Williamson Act (California Land Conservation Act of 1965)

The County's LCP amendment request is to update the Official Maps of the LCP by placing the Agricultural (AG) land use designation on property where "agricultural preserves" have been established under the Williamson Act. Property tax assessments for the property under contract are based on continued farming or open space values, rather than the potential for development, and are significantly lowered. Williamson Act agricultural preserve contracts are voluntary agreements between a landowner and the local government. The landowner of the Wells Fargo Bank Trust property has entered into such a contract with the County of San Luis Obispo. The Williamson Act (Code Section



51230) contains the following requirement for land in agricultural preserves:

An agricultural preserve may contain land other than agricultural land, but the use of any land within the preserve and not under contract shall within two years of the effective date of any contract on land within the preserve be restricted by zoning or other suitable means in such a way as to not be incompatible with the agricultural use of the land, the use of which is limited by contract in accordance with this chapter (from Government Code Section 51230).

The Williamson Act Section 51201(d) defines “agricultural preserves” as:

(d) "Agricultural preserve" means an area devoted to either agricultural use, as defined in subdivision (b), recreational use as defined in subdivision (n), or open-space use as defined in subdivision (o), or any combination of those uses and which is established in accordance with the provisions of this chapter.

The Williamson Act Section 50201(e) also contains the following definition of “compatible uses” as:

(e) "Compatible use" is any use determined by the county or city administering the preserve pursuant to Section 51231, 51238, or 51238.1 or by this act to be compatible with the agricultural, recreational, or open-space use of land within the preserve and subject to contract. "Compatible use" includes agricultural use, recreational use or open-space use unless the board or council finds after notice and hearing that the use is not compatible with the agricultural, recreational or open-space use to which the land is restricted by contract pursuant to this chapter.

In this case, it is feasible and more appropriate to designate the Wells Fargo Bank Trust property as Open Space (OS) versus Agriculture (AG). As cited above, this is provided for under the County’s Rules and Procedures to Implement the Williamson Act. Since 1991 the County’s Rules of Procedure to implement the Williamson Act have specified that lands qualifying for agricultural preserves based on open space and natural outdoor recreation resources should be respectively designated in the Open Space and Recreation land use category instead of the Agriculture category. It is also worthwhile to note that the County has used the OS designation on other parcels under Williamson Act agricultural preserve contracts with similar habitat and open space characteristics (i.e. Cosdon Ranch in the Adelaida Planning Area). This same approach can be used on the Wells Fargo Bank Trust property.

Suggested Modification

In light of the significant habitat and recreational values on the property, the best land use designation for the Wells Fargo Bank Trust property is Open Space (OS), appropriately managed to preserve environmentally sensitive habitat and public recreational opportunities. As described above, the OS land use designation for this property is also consistent with the County’s implementation of the Williamson Act. **Thus, the Suggested Modification re-designates this parcel from Residential Suburban to Open Space, rather than Agriculture.** Because the OS land use category is more restrictive in terms of future development potential than AG, the suggested modification would better protect biological continuance of the environmentally sensitive Monterey pine forest on the property. Furthermore, the OS land use designation is most compatible with the nearby recreational uses of Camp Ocean Pines. The



modification will ensure that all future development within the Monterey pine forest and adjacent to recreation areas does not adversely impact the resource and is necessary to bring the amendment into compliance with Coastal Act Section 30240. Only as modified, shall the County of San Luis Obispo LCP amendment SLO-MAJ-1-04 Part 2 be found consistent with the Coastal Act.

2. Amend San Luis Bay Area Plan Maps TSP 65 and 75-76 (Exhibit G990014P:10)

The subject map amendment to the certified LCP involves a change to the Official Maps of the Land Use Plan. Specifically, the County has requested amending Maps TSP 65 and 75-76 to change the land use designation of a combined 43 acres on two parcels of the Thousand Hills Ranch from Rural (RL) to Agriculture (AG). See Exhibit C (3&4) for a graphic depiction of the properties involved in the amendment.

This portion of the County's proposed LCP amendment raises little issue with respect to consistency with the Coastal Act. Most of the affected property is outside of the Coastal Zone Boundary. Two small sections of the Thousand Hills Ranch to be converted to agricultural land (AG) and are in the jurisdiction of the Coastal Commission. These two areas are located at the top of extremely steep slopes and are not likely to be developed. The LCP provides numerous visual and scenic resource protection standards that would preclude development in this area. In fact, the Agriculture land use category is significantly more restrictive than the current Rural Lands designation in terms of the intensity of future development potential. Steep slopes in the area eliminate any reasonable potential for intensified irrigated farming.

Similar to the Wells Fargo Bank Trust property discussed previously, Staff evaluated the resource protection benefits of placing these lands into the Open Space (OS) land use category instead of Agriculture (Ag). In this case, a number of different circumstances exist that would dissuade a recommendation of OS. First, the Thousand Hills Ranch property does not contain mapped or on-the-ground ESHA, such as the sensitive Monterey pine forest found on the Wells Fargo Trust Bank property in Cambria. Second, the Thousand Hills Ranch property is not located adjacent to popular recreational areas (e.g. Camp Ocean Pines) that would benefit from open space surroundings. Third, the combined 43 acres of the Thousand Hills Ranch evaluated here is but a small piece of a much larger 1,157-acre parcel located almost entirely outside of the coastal zone. Finally, given the large parcel size and geographic constraints on this portion of the Ranch, it is unlikely that this area could be developed. Accordingly, the Commission is not recommending modifications to this portion of the LCP amendment. Therefore, this Land Use Plan amendment is consistent with Chapter 3 policies of the Coastal Act.

C. California Environmental Quality Act (CEQA)

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Therefore, local governments are not required to undertake environmental analysis of proposed LCP amendments, although the Commission can and does use any environmental information that the local government has developed. CEQA requires that alternatives to the proposed



action be reviewed and considered for their potential impact on the environment and that the least damaging feasible alternative be chosen as the alternative to undertake.

The County in this case prepared a negative declaration for the proposed amendment under CEQA. This staff report has discussed the relevant coastal resource issues with the proposal, and has recommended appropriate suggested modifications to avoid and/or lessen any potential for adverse impacts to said resources. All public comments received to date have been addressed in the findings above. All above Coastal Act findings are incorporated herein in their entirety by reference.

As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the amendment, as modified, would have on the environment within the meaning of CEQA. Thus, if so modified, the proposed amendment will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).

